



**Roland W. Burris**

Comptroller  
State of Illinois

November 13, 1990

201 State House  
Springfield, Illinois 62706  
217/782-6000

PAYROLL BULLETIN  
(4-90)

TO: All State Agencies, Departments, Boards, Commissions  
and Universities

SUBJECT: 1991 FICA/MEDICARE

Beginning with payroll warrants issued in 1991 (generally the December 16-31, 1990 pay period), new payroll procedures must be implemented to comply with federal law regarding FICA and MEDICARE reporting. FICA tax is the Old-Age, Survivors and Disability Insurance (OASDI) plus the hospital insurance also known as MEDICARE (HI). OASDI wages and OASDI tax withheld and HI wages and HI tax withheld must be accumulated separately by the Comptroller's Office because they have different maximum wages subject to tax. The 1991 OASDI portion of the FICA tax is 6.2% and the HI (MEDICARE) portion is 1.45%. The 1991 OASDI wage maximum is \$53,400.00 and the HI maximum is \$125,000.00. The withholding of OASDI and HI taxes must be reported separately on the payroll voucher and voucher tape. The OASDI tax (6.2%) must be shown in field 15 of the payroll voucher and in tape positions 170 through 175. The HI tax (1.45%) must be shown in field 88 of the payroll voucher and in tape positions 249 through 254. The appropriate FICA/MEDICARE code will continue to be shown in field 14 of the payroll voucher and in tape position 169.

The FICA/MEDICARE codes will be as follows:

<u>Code</u>	<u>Usage</u>
A	Employee is subject to FICA (OASDI 6.2% and HI 1.45%).
B	Employee not subject to FICA or MEDICARE.
C	Employee subject only to MEDICARE.
F	Employee has reached OASDI maximum but not HI maximum.
W	Employee, subject only to MEDICARE, has reached the maximum.
Z	Employee subject to FICA and MEDICARE has reached both the OASDI and HI maximums.

#### EXAMPLE I

An employee subject to full FICA (6.2% OASDI and 1.45% HI) has a FICA taxable base pay of \$1,000.00. The OASDI portion of \$62.00 would appear in field 15 of the payroll voucher and in tape positions 170 through 175. The HI portion of \$14.50 would appear in field 88 of the payroll voucher and in tape positions 249 through 254. A code of "A" would appear in field 14 of the payroll voucher and in tape position 169.

#### EXAMPLE II

An employee has reached the maximum taxable wages for the OASDI portion of the FICA tax of \$53,400.00 but not the maximum taxable wages of \$125,000.00 for the HI portion of the FICA tax. In this instance, field 15 of the payroll voucher would have no money shown in it. Tape positions 170 through 175 must be zero filled. The HI field 88 would show a dollar amount equal to 1.45% of the HI taxable wages. A code of "F" must appear in field 14 of the payroll voucher and in tape position 169.

#### EXAMPLE III

An employee is not subject to either FICA or MEDICARE. In this instance, no amounts will be shown in fields 15 or 88 of the payroll voucher. Tape positions 170 through 175 and 249 through 254 should be zero filled. A code of "B" must appear in field 14 of the payroll voucher and in tape position 169.

#### EXAMPLE IV

An employee is subject only to the MEDICARE tax. In this case, no amount will be shown in field 15 of the payroll voucher. Tape positions 170 through 175 should be zero filled. The MEDICARE tax of 1.45% must appear in field 88 of the payroll voucher and in tape positions 249 through 254. A code of "C" must appear in field 14 of the payroll voucher and in tape position 169.

#### EXAMPLE V

An employee has reached the maximum taxable wages for OASDI and HI. In this instance, no money would appear in payroll voucher fields 15 or 88. Tape positions 170 through 175 and 249 through 254 must be zero filled. A code of "Z" must appear in field 14 of the payroll voucher and in tape position 169.

#### EXAMPLE VI

An employee who was subject to only MEDICARE has reached the maximum wages subject to that tax. In this instance no money would appear in fields 15 or 88 of the payroll voucher. Tape positions 170 through 175 and 249 through 254 must be zero filled. A code of "W" must appear in field 14 of the payroll voucher and in tape position 169.

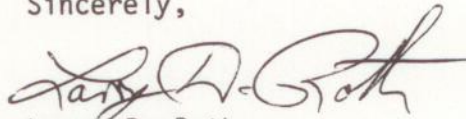


Any unused portions of tape positions 170 through 179 and 249 through 254 should be zero filled and right justified.

Employee contributions to OASDI and HI should be consolidated into one trailer record, 90-090, and should be made payable to the Social Security Administration Fund, Employee Contributions. Employer Contributions to OASDI and HI should be consolidated into one trailer record, 86-086, and be made payable to the Social Security Administration Fund, Employer Contributions.

Questions regarding this bulletin should be referred to Dan Steven or Nancy Smith at (217) 782-4758.

Sincerely,

A handwritten signature in dark ink, appearing to read "Larry D. Roth", with a stylized flourish at the end.

Larry D. Roth  
Director - State Accounting